



***Puerto Rico Department of Treasury***  
***Treasury Single Account ("TSA") FY 2018 Cash Flow***  
***As of June 29, 2018***

## Glossary

Term	Definition
<b>AACA</b>	- Automobile Accident Compensation Administration, or Administración de Compensaciones por Accidentes de Automoviles, is a component unit of the Commonwealth of Puerto Rico.
<b>Act 154</b>	- Act 154 means Act No. 154-2010, which, inter alia, imposes a temporary excise tax on the acquisition by multinationals of certain property manufactured or produced in whole or in part in Puerto Rico and on the acquisition of certain manufacturing services carried out in Puerto Rico. The Act 154 temporary excise tax expires on December 31, 2027.
<b>AFI/RBC</b>	- Infrastructure Financing Authority.
<b>Agency Collections</b>	- Collections made by central government agencies at collection posts for services rendered by the agencies as well as fees, licenses, permits, fines and others.
<b>Approved FY 2018 Budget</b>	- Consolidated Budget for Fiscal Year 2018 approved by the Puerto Rico Legislative Assembly on July 13, 2017.
<b>ASC</b>	- Compulsory Liability Insurance, private insurance company.
<b>ASSMCA</b>	- Administración de Servicios de Salud Mental y Contra la Adicción, or Mental Health and Addiction Services Administration, is an agency of the Commonwealth of Puerto Rico.
<b>Bank Checks Paid</b>	- A report provided by the bank that is utilized to determine vendor payments.
<b>BPPR</b>	- Banco Popular of Puerto Rico.
<b>Budget Reserves</b>	- Non-cash reserves for budgeting purposes. Consist of a Liquidity Reserve (\$190M), OMB Reserve (\$446M), Budgetary Reserve (\$85M), Other Income Reserve (\$84M), and Emergency Fund (\$30M).
<b>Checks in Vault</b>	- Refers to checks issued but physically kept in vault.
<b>Collections</b>	- Collections made by the Department of the Treasury (Treasury) at collection posts and/or the Treasury revenue collection systems, such as income taxes, excise taxes, fines and others.
<b>COFINA</b>	- Puerto Rico Sales Tax Financing Corporation.
<b>COFINA SUT Collections</b>	- In accordance with a sales tax finance agreement between the government of Puerto Rico and COFINA, throughout FY2018 the first 5.5% (of total 10.5%) of gross SUT collections are reserved for and deposited into the COFINA bank account held at BNY Mellon until a \$753M cap has been reached on total SUT collections remitted to COFINA.
<b>DTOP</b>	- Department of the Transportation and Public Works
<b>DTPR</b>	- Department of the Treasury of Puerto Rico.
<b>ERS</b>	- Employees Retirement System means the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, a statutory trust created by Act No. 447 of May 15, 1951, as amended, to provide pension and other benefits to retired employees of the Commonwealth, its public corporations and municipalities. ERS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
<b>General Fund</b>	- General Fund (Operating Fund) means the Commonwealth principal operating fund; disbursements from such fund are generally approved through the Commonwealth's annual budgeting process.
<b>DTPR Collection System</b>	- This is the software system that DTPR uses for collections.
<b>HTA</b>	- Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
<b>JRS</b>	- Judiciary Retirement System means the Retirement System for the Judiciary of the Commonwealth of Puerto Rico, a statutory trust created to provide pension and other benefits to retired judges of the Judiciary Branch of the Commonwealth. JRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
<b>Liquidity Plan</b>	- The FY 2018 Treasury Single Account Liquidity Plan was prepared at the beginning of the fiscal year based on the approved FY 2018 Budget, was projected monthly through June 2018, and is used as the benchmark against which results are measured. As a result of material economic and operational changes stemming from Hurricanes Irma and Maria, DTPR is in the process of developing a reforecast of TSA cash flows to year-end. Until then, the original TSA forecast will continue to serve as the measure for cash flow
<b>Net Payroll</b>	- Net payroll is equal to gross payroll less tax withholdings and other deductions.
<b>Nutrition Assistance Program</b>	- NAP, or the Nutrition Assistance Program, also known as PAN, or Programa de Asistencia Nutricional is a federal assistance nutritional program provided by the United States Department of Agriculture (USDA) solely to Puerto Rico.
<b>Pension PayGo</b>	- Pension PayGo- Puerto Rico pension system that is funded through a pay-as-you-go system. Retirement benefits expenses of government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
<b>PRASA</b>	- Puerto Rico Aqueducts and Sewers Authority.
<b>PREMA</b>	- Puerto Rico Emergency Management Agency.
<b>PREPA</b>	- Puerto Rico Electric Power Authority.
<b>PRHA</b>	- Puerto Rico Housing Authority.
<b>PRIFAS</b>	- Puerto Rico Integrated Financial Accounting System.
<b>Reconciliation Adjustment</b>	- Reserve account in DTPR cash flow, related to E&Y's Expense Reconciliation Adjustment (RA) as per the Fiscal Plan certified on March 13, 2017.
<b>Retained Revenues</b>	- Revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass through" accounts. The largest of these pass-through accounts consist of (i) AACA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, (iv) HTA toll revenues.
<b>RHUM System</b>	- This is the software system that DTPR uses for payroll.
<b>SIFC</b>	- State Insurance Fund Corporation.
<b>Special Revenue Funds</b>	- Commonwealth governmental funds separate from the General Fund that are created by law, are not subject to annual appropriation and have specific uses established by their respective enabling legislation. Special Revenue Funds are funded from, among other things, revenues from federal programs, tax revenues assigned by law to public corporations and other third parties, fees and charges for services by agencies, dividends from public corporations and financing proceeds.
<b>SSA</b>	- Social Security Administration.
<b>TRS</b>	- Teachers Retirement System means the Puerto Rico System of Annuities and Pensions for Teachers, a statutory trust created to provide pension and other benefits to retired teachers of the Puerto Rico Department of Education and to the employees of the Teachers Retirement System. TRS is a fiduciary fund of the Commonwealth of Puerto Rico for purposes of the Commonwealth's financial statements.
<b>TSA</b>	- Treasury Single Account, the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth's fiduciary funds. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA.

## Introduction

- Enclosed is the weekly Treasury Single Account ("TSA") cash flow report, supporting schedules and Liquidity Plan to actual variance analysis.
- TSA is the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed.
- Beginning April 2016, TSA receipts are deposited in a commercial bank account rather than the Government Development Bank for Puerto Rico ("GDB").
- Receipts in the TSA include tax collections (including revenues assigned to certain public corporations and pledged for the payment of their debt service), charges for services, intergovernmental collections (such as reimbursements from Federal assistance grants), the proceeds of short and long-term debt issuances held in custody by the Secretary of Treasury for the benefit of the Government fiduciary funds, and other receipts. Only a portion of the revenues received by the TSA is included in the annual General Fund budget presented to the Puerto Rico Legislative Assembly for approval. Other revenues are separately assigned by law to certain agencies or public corporations but still flow through the TSA.
- Disbursements from the TSA include payroll and related costs, vendor and operational disbursements (including those reimbursed by Federal assistance grants and funded from Special Revenue Funds), welfare expenditures, capital outlays, debt service payments, required budgetary formulas and appropriation payments, pass-through payments of pledged revenues to certain public corporations, tax refunds, payments of current pension benefits and other disbursements.
- Federal funds related to disaster relief for hurricanes Irma and Maria are deposited in a separate bank account overseen by the Government Authorized Representative ("GAR"), and transferred to the TSA only after admissible disbursements (per approved Project Worksheets) have been made. These inflows to the TSA will be captured on the Federal Funds Receipts (Schedule C); outflows will be captured on the Vendor Payments (Schedule E).
- Data for TSA inflows/outflows is reported from various systems within the Department of Treasury of Puerto Rico ("DTPR"):
  - Cash Flow Actual Results - Source for the actual results is the TSA Cash Flow.
  - Schedule A - Collections - Source for collections information is the DTPR collections system.
  - Schedule B - Agency Collections - Source for the agency collections is DTPR.
  - Schedule C - Federal Fund Receipts - Source for the federal funds receipts is DTPR.
  - Schedule D - Net Payroll - Source for net payroll information is the DTPR Rhum Payroll system.
  - Schedule E - Vendor Payments - The source for vendor payments is the Bank checks paid report and a report from the DTPR PRIFAS system.
  - Schedule F - Other Legislative Appropriations - Source for the other legislative appropriations is DTPR.
  - Schedule G - Central Government - Partial Inventory of Known Short Term Obligations - Sources are DTPR.
  - Schedule H - Budget Allocation of the Reconciliation Adjustment for the Central Government Loan to PREPA - Source is the Office of Management and Budget
- Data limitations and commentary:

The government has focused on the seven schedules above for which access to reliable, timely, and detailed data is available to support these items. The government continues to work with DTPR and other parties to access additional reliable data that would help us provide detail in the future for other line items in the Cash Flow.

## **FY 2018 TSA Forecast Key Assumptions**

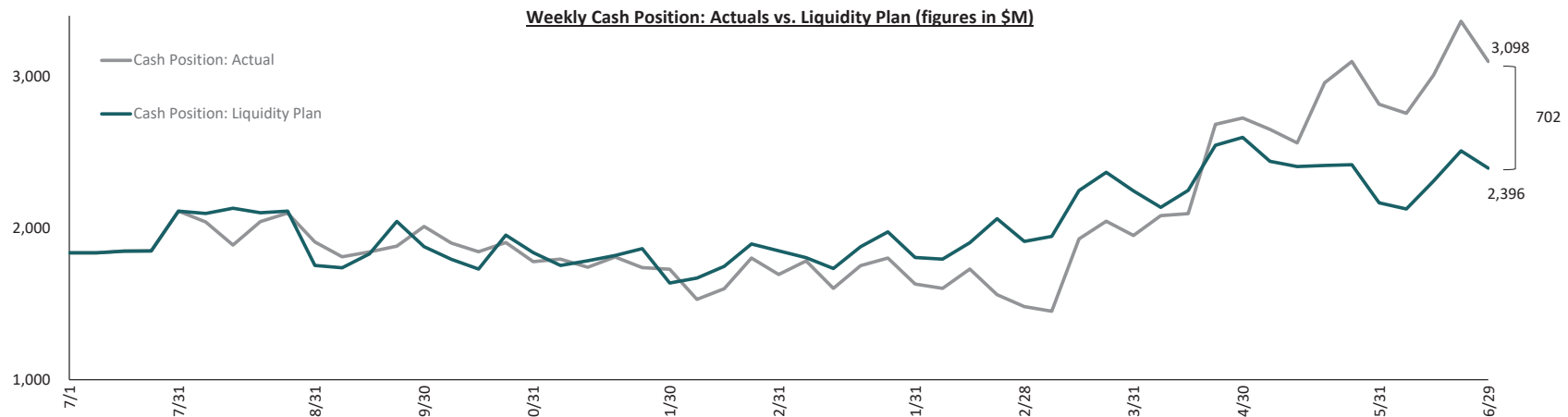
- The FY 2018 Treasury Single Account cash flow forecast Liquidity Plan was prepared at the beginning of the fiscal year based on the approved FY 2018 Budget, was projected monthly through June 2018, and is used as the benchmark against which weekly results and variances are measured. As a result of material economic and operational changes stemming from Hurricanes Irma and Maria, DTPR is in the process of developing a reforecast of TSA cash flows to year-end. Until then, the original TSA forecast will continue to serve as the measure for weekly cash flow variances.
- Forecast collections and disbursements through the General Fund and Federal Fund are consistent with the approved FY 2018 Budget, with the exception of payroll outlays which were forecast based on run-rate cash disbursement trends, and budget reserves which are non-cash and do not impact the TSA direct cash flows.
- TSA General Fund inflows are "gross" (i.e. include accrued Tax Refunds in 2018) and therefore higher than presented in the approved FY 2018 Budget, which considers General Fund revenues net of current year tax refunds. Repayment of deferred tax refunds (from CY 2016 and prior) total \$292mm; reserve for current year tax refunds (excluding garnishments) total \$456mm.
- Payroll outlays are based on FY 2017 run-rate disbursements, less savings measures, representing a \$298mm favorable adjustment to the approved FY 2018 Budget for the full fiscal year. Payroll is presented inclusive of segregated employee contributions (\$349M for the year). Payroll is disbursed through the TSA on a bi-weekly basis, approximately on the 15th and 30th of each month.
- Pensions reflect the implementation of the pay-as-you-go model in FY 2018. Retirement system inflows represent deposits from municipalities and corporations net of administrative expenses. Figures also include ERS / TRS / JRS asset sales (\$390M), which occurred in July 2017.
- The Liquidity Plan assumes collections and outlays of Federal Funds are equal in FY 2018 (zero net cash impact), excluding potential timing impact.
- Clawback funds set aside prior to June 2016 (approx. \$146mm held at BPPR accounts and \$144mm held at GDB) are considered restricted cash and therefore excluded from the projected cash balance.
- The Liquidity Plan assumes \$592mm of Reconciliation Adjustment as per the approved FY 2018 Budget and March 13 certified Fiscal Plan, which is projected separately from supplier payments and distributed evenly over 12 months. No further provision has been made for potential contingent liabilities against the government.
- The Liquidity Plan assumes that beginning November 2017, COFINA SUT collections flow to the General Fund and are available to the TSA for operational purposes, totaling approx. \$316mm in incremental collections in the forecast. However, these funds flowed to the COFINA bank account (BNY Mellon), which created a permanent variance of -\$316mm against the Liquidity Plan.

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As of June, 29 2018

Executive Summary - TSA Cash Flow Actual Results for the Week Ended June 29, 2018

Key Figures as of 06/29/2018				
\$3.10bn	(\$266M)	(\$152M)	\$1299M	\$702M
Bank Cash Position	Weekly Cash Flow	Weekly Variance <sup>(a)</sup>	YTD Net Cash Flow	YTD Net Cash Flow Variance <sup>(a)</sup>



Weekly Cash Flow Variance (\$152M):

Weekly variance mainly due to: (1) -\$149M PREPA draw upon Revolving Credit Agreement (permanent); (2) -\$95M in vendor disbursements (permanent); and (3) +\$35M of federal fund receipts (permanent); and (4) ASES Appropriations (temporary). All other line items have a total weekly variance of +\$5M.

YTD Net Cash Flow Variance \$702M:

The primary drivers of the +\$702M YTD variance are: (1) Net cash benefit from additional Medicaid Funding due to the Bipartisan Budget Act of 2018 (+\$679M, permanent); (2) Net cash benefit of RA less cash reapportionment +\$306M (permanent, see Sch.H); (3) Net cash benefit of lower disbursements of tax refunds than forecast (+\$117M, permanent); (4) Rum Tax Collections (+\$99M, permanent); (5) Net cash impact of lower vendor disbursements and subsequent lower federal fund receipts for federally reimbursable payments (-\$134M, mostly permanent) (6) Sales & Use Tax Collections (-\$316M, permanent); and (7) All others (-\$50M).

Footnotes:

(a) Variances represent actual results vs. FY2018 Liquidity Plan. Additional detail and commentary on weekly and YTD variances is provided on pages 7 and 8 of this report.

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Key Takeaways - TSA Cash Flow Actual Results

As of June 29, 2018

Key Figures as of 06/29/2018			
Bank Cash Position	\$3.10bn	(\$266M)	\$1299M
		Weekly Cash Flow	Weekly Variance <sup>(4)</sup>
			YTD Net Cash Flow
			YTD Net Cash Flow Variance <sup>(4)</sup>

Notable variances <sup>(1)</sup> for the week ended June 29, 2018:

-\$149M	Outflow - PREPA Loan	(Permanent) Due to liquidity needs at PREPA, the entity drew down the remaining allowable amount on the Superpriority Post-petition Revolving Credit Loan Agreement on 6/29 to end the year with the original \$300M loan amount outstanding.
-\$93M	Outflow - Vendor Disbursements	(Permanent) Variance is permanent and primarily driven by \$56M in Central Government disbursements to PRAISA for accounts payable in arrears. Remaining variance was mostly due to \$57M disbursed on behalf of the Department of Education, the second highest in a single week throughout FY2018.
+\$35M	Inflow - Federal Fund Receipts	(Temporary) Variance is due to the incremental receipt of federal funds for the Nutritional Assistance Program and the subsequent pass-through due to additional funding provided for in the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017.
+\$51M	Outflow - ASES Appropriations	(Temporary) Variance is due to the timing of federal funds received for the Medicaid Program and the subsequent pass-through appropriation to ASES, and will be offset next fiscal year.
+\$5M	All Other Inflows & Outflows	Includes Electronic Lottery (\$41M), Nutritional Assistance Program Outflows (\$15M), PayGo inflows (+\$33M), Tax Refunds (+\$22M), and others (+\$5M).
Notable YTD variances <sup>(4)</sup> as of June 29, 2018:		
-\$338M	Inflow - Sales & Use Tax	(Mostly) Permanent) YTD permanent variance is driven by: (1) Liquidity Plan assumed \$316M of COFINA funds would flow to the General Fund but instead, the funds were deposited in the COFINA account; (2) lower than anticipated collections due to lost revenues from Hurricane Maria's impact on economic activity; (3) temporary sales tax exemption on prepared food and items sold by small and medium merchants (exemptions expired on 1/7 and 12/31, respectively). Additionally, various other offsetting and competing drivers have influenced gross SUT month to month, including a shift in buying mix from smaller, less SUT compliant stores to larger, more SUT compliant retailers.
-\$300M	Outflow - Net PREPA loan	(Permanent) \$300M in funds relating to a loan from the Central government were transferred to PREPA from the TSA on February 23, 2018.
-\$32M	Inflow - General Collections	(Mostly) Permanent) Principally due to the negative impacts caused by Hurricane Maria. Significant YTD collections variances are -\$129M in ACT 154 collections, -\$56M in Nonresident Withholdings, -\$82M in individual income tax collections, partially offset by +\$245M in Corporate Income Taxes, +\$170M in HTA Pass Through collections (Petroleum & Gas Tax collections constitutes the majority of the favorable YTD variance) and others.
+\$34M	Inflow - Federal Fund Receipts	(Temporary) YTD variances in federal fund receipts are the result of:  (1) <b>Additional federal funds received for federal programs (net +\$714M):</b> Disbursements for the Nutritional Assistance Program (+\$282M offsetting variance) and ASES pass-through Medicaid funds (+\$432M offsetting variance) represent permanent differences, as additional federal funds incremental to the Liquidity Plan were unlocked for Nutritional Assistance and Medicaid. The Bipartisan Budget Act of 2018 provided for additional Medicaid funding that was not considered in the original Liquidity Plan. Furthermore, the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017 provided for additional Nutritional Assistance funding that was not considered in the original Liquidity Plan.  (2) <b>Lower vendor disbursements (net -\$488M):</b> -\$95M lower-than-projected federal reimbursements for vendor payments, partially offset by disaster-related federal reimbursements for vendor payments not considered in the Liquidity Plan (+\$107M offsetting variance);  (3) <b>Other (net +\$128M):</b> lower federally-funded payroll disbursements as a percent of total payroll versus the Liquidity Plan (+\$56M variance), and an additional +\$184M of timing variance.
+\$592M	Outflow - Reconciliation Adj.	(Offset by Reapportionments) Of the \$592M total FY2018 budgeted Reconciliation Adjustment (RA), \$962M has been offset by reapportionments of the RA for other budgetary needs: (1) \$300M loan to PREPA; (2) \$80M for the Department of Transportation; (3) \$11M for the OMB; (4) \$78M for the creation of the Emergency Municipal Assistance Fund; (5) \$39M for the Police Department; (6) \$38M for ASEM; (7) \$15M for PREMA; and (8) \$30M for the payment of Central Government accounts payable in arrears owed to PRAISA. Actual cash effects to the \$592M YTD RA variance total -\$465M. Refer to Schedule H for additional detail.
+\$330M	Outflow - Vendor Disbursements	(Partially) Temporary) +\$488M of YTD variance is related to federally-reimbursable disbursements, approximately 65% of which the Liquidity Plan projected would relate to budget period 2017. Remaining variance mostly due to offsetting permanent variances, including: (1) the creation of the Emergency Municipal Assistance Fund and subsequent \$1M disbursements to each of the 78 Puerto Rico Municipalities to cover operational and administrative costs in light of any declines in collections resulting from Hurricanes Irma and Maria; (2) \$107M in disaster-related vendor payments not considered in the Liquidity Plan that will be or have been reimbursed by federal funds; and (3) \$56M in Central Government disbursements to PRAISA for accounts payable in arrears.
+\$97M	All Other Inflows & Outflows	Largest variances included are Agency Collections (\$81M), outflows for the Nutritional Assistance Program (-\$282M), Pension Related Costs (+\$151M), appropriations to ASES (+\$248M, Rum Tax collections (+\$84M) and others (-\$48M).

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TSA Cash Flow Actual Results for the Week Ended June 29, 2018

As of June 29, 2018

(figures in \$000s)		Schedule	Prior Variance YTD 6/22	Actual 6/29	Forecast 6/29	Variance 6/29	Actual YTD 6/29	Forecast YTD 6/29	Variance YTD 6/29
<b>General &amp; Special Revenue Fund Inflows</b>									
1	Collections (a)	A	(\$12,353)	\$76,937	\$96,629	(\$19,692)	\$8,073,476	\$8,105,522	(\$32,046)
2	Agency Collections	B	(74,894)	10,210	15,839	(5,628)	464,511	545,033	(80,523)
3	Sales and Use Tax		(315,504)	48,277	71,132	(22,855)	1,640,047	1,978,406	(338,359)
4	Excise Tax through Banco Popular		(5,830)	—	686	(686)	609,823	616,339	(6,516)
5	Rum Tax		99,338	—	15,700	(15,700)	239,138	155,500	83,638
6	Electronic Lottery		(16,626)	—	40,669	(40,669)	105,380	162,675	(57,294)
7	Subtotal - General & Special Revenue Fund Inflows		(\$325,870)	\$135,424	\$240,655	(\$105,230)	\$11,132,375	\$11,563,475	(\$431,100)
<b>Retirement System Inflows</b>									
8	Contributions From Pension Systems (b)		(69,615)	48,938	16,101	32,837	349,653	386,431	(36,778)
9	Pension System Asset Sales		—	—	—	—	390,480	390,480	—
10	Subtotal - Retirement System Inflows		(\$69,615)	\$48,938	\$16,101	\$32,837	\$740,133	\$776,911	(\$36,778)
<b>Other Inflows</b>									
11	Federal Fund Receipts (c)	C	318,641	115,622	80,201	35,421	5,604,721	5,250,659	354,062
12	Other Inflows (d)		97,191	9,289	3,539	5,750	420,812	317,871	102,941
13	Interest earned on Money Market Account		4,193	—	—	—	4,193	—	4,193
14	GDB Transactions		(28,766)	—	—	—	—	28,766	(28,766)
15	Loans and Tax Revenue Anticipation Notes (l)		149,064	—	—	—	149,064	—	149,064
16	Subtotal - Other Inflows		\$540,324	\$124,911	\$83,741	\$41,170	\$6,178,790	\$5,597,296	\$581,494
17	<b>Total Inflows</b>		<b>\$144,839</b>	<b>\$309,273</b>	<b>\$340,497</b>	<b>(\$31,223)</b>	<b>\$18,051,298</b>	<b>\$17,937,682</b>	<b>\$113,616</b>
<b>Payroll Outflows</b>									
18	Net Payroll (e)	D	7,504	(68,568)	(66,570)	(1,818)	(1,693,435)	(1,699,121)	5,686
19	Other Payroll Related Costs - (SSA, SIFC, Health Insurance) (f)		9,295	(20,218)	(1,905)	(18,313)	(1,317,152)	(1,308,133)	(9,018)
20	Gross Payroll - PR Police Department (g)		(50,617)	—	—	—	(681,100)	(630,483)	(50,617)
21	Subtotal - Payroll and Related Costs		(\$33,818)	(\$88,786)	(\$68,655)	(\$20,131)	(\$3,691,687)	(\$3,637,737)	(\$53,950)
<b>Pension Outflows</b>									
22	Pension Benefits		59,182	(82,490)	(87,958)	5,468	(2,089,640)	(2,154,290)	64,650
23	Pension Paygo Outlays on Behalf of Public Corporations		79,325	—	(7,211)	7,211	—	(86,536)	86,536
24	Subtotal - Pension Related Costs		\$138,507	(\$82,490)	(\$95,169)	\$12,679	(\$2,089,640)	(\$2,240,826)	\$151,186
<b>Appropriations - All Funds</b>									
25	Health Insurance Administration - ASEs		197,359	(34)	(50,776)	50,742	(2,272,595)	(2,520,695)	248,100
26	University of Puerto Rico - UPR		0	(10,000)	—	(10,000)	(678,321)	(668,321)	(10,000)
27	Muni. Revenue Collection Center - CRIM		(2,659)	—	(16,013)	16,013	(256,376)	(269,730)	13,354
28	Highway Transportation Authority - HTA		(147,730)	—	(11,817)	11,817	(296,719)	(160,806)	(135,913)
29	Public Buildings Authority - PBA		9	(9)	—	(9)	(69,811)	(69,811)	0
30	Other Government Entities		15,231	(17,589)	(22,612)	5,023	(569,459)	(589,713)	20,254
31	Subtotal - Appropriations - All Funds		\$62,210	(\$27,632)	(\$101,217)	\$73,585	(\$4,143,281)	(\$4,279,075)	\$135,795
<b>Other Disbursements - All Funds</b>									
32	Vendor Disbursements (h)	E	424,839	(159,864)	(65,066)	(94,798)	(2,949,286)	(3,279,328)	330,042
33	Other Legislative Appropriations (i)	F	2,305	(947)	(1,251)	305	(370,412)	(373,021)	2,609
34	Tax Refunds		117,311	(11,014)	(33,298)	22,284	(704,099)	(843,695)	139,595
35	Nutrition Assistance Program		(266,903)	(55,575)	(40,166)	(15,409)	(2,288,971)	(2,006,659)	(282,312)
36	Other Disbursements		22,922	—	—	—	(65,844)	(88,766)	22,922
37	Reconciliation Adjustment	H	542,667	—	(49,333)	49,333	—	(592,000)	592,000
38	Loans and Tax Revenue Anticipation Notes		(300,000)	(149,064)	—	(149,064)	(449,064)	—	(449,064)
39	Subtotal - Other Disbursements - All Funds		\$543,141	(\$376,464)	(\$189,114)	(\$187,350)	(\$6,827,677)	(\$7,183,468)	\$355,791
40	<b>Total Outflows</b>		<b>\$710,039</b>	<b>(\$575,372)</b>	<b>(\$454,155)</b>	<b>(\$121,217)</b>	<b>(\$16,752,285)</b>	<b>(\$17,341,107)</b>	<b>\$588,822</b>
41	<b>Net Cash Flows</b>		<b>\$854,878</b>	<b>(\$266,099)</b>	<b>(\$113,659)</b>	<b>(\$152,440)</b>	<b>\$1,299,013</b>	<b>\$596,575</b>	<b>\$702,438</b>
42	Bank Cash Position, Beginning (j)		—	3,364,109	2,509,231	854,878	1,798,997	1,798,997	—
43	<b>Bank Cash Position, Ending (j)</b>		<b>\$854,878</b>	<b>\$3,098,010</b>	<b>\$2,395,573</b>	<b>\$702,438</b>	<b>\$3,098,010</b>	<b>\$2,395,573</b>	<b>\$702,438</b>
<b>Net Loan Outstanding to PREPA (sum of lines 15 &amp; 38):</b>			<b>(\$150,936)</b>	<b>(\$149,064)</b>	<b>—</b>	<b>(\$149,064)</b>	<b>(\$300,000)</b>	<b>—</b>	<b>(\$300,000)</b>

**Footnotes:**

- Includes reserve for tax returns (\$456 million) and Special Revenue Fund portion of posted collections.
- Paygo charges to municipalities and public corporations collected at the TSA.
- As of the date of this report, includes \$107M in federal funded account balances transferred to the TSA that relate to disaster relief.
- Inflows related to the Department of Health, Department of Labor and Human Resources, the Commissioner of Financial Institutions, and others.
- Payroll is paid bi-weekly on the 15th and 30th (or last day of the month, whichever comes sooner).
- Related to employee withholdings, social security, insurance, and other deductions.
- Police payroll is reflected individually because it is paid through a separate bank account. Also, the police payroll line item shown in the TSA cash flow is gross (i.e. inclusive of Other Payroll Related Items).
- Includes payments to third-party vendors as well as intergovernmental payments to agencies with separate Treasuries.
- This refers to General Fund appropriations to non-TSA entities such as Legislative Assembly, Correctional Health, Comprehensive Cancer Center, and others.
- Excludes Banco Popular of Puerto Rico Account with balance of approximately \$146mm; Amounts deposited in GDB subject to GDB restructuring.
- Unless otherwise stated, variances are either not material in nature or are expected to reverse in the short term.
- Section 2.6(b)(ii) of the Superpriority Post-petition Revolving Credit Loan Agreement (The Agreement) specifies that upon PREPA's receipt of any revenues in excess of amounts necessary to (i) pay budgeted expenses for Ineligible Uses provided for in the Budget (inclusive of the Ineligible Uses Variance) and other allowable expenses for Ineligible Uses, or any FEMA reimbursable expense for contracts that have been obligated by FEMA and approved by the Oversight Board and (ii) maintain a maximum cash balance of up to \$300M PREPA shall apply such Revenues to the repayment of the outstanding Revolving Credit Loans. The criteria that result in any aforementioned repayment may be triggered due to the seasonality of PREPA operations. Depending on the timing of PREPA receipts and disbursements, additional repayments may occur over the next several weeks, though additional draw downs may also occur before fiscal year-end.

- Collections were lower than Liquidity Plan by 20% for the week ended 6/29, mainly due to lower than projected Alcoholic Beverage tax collections (-\$6M), Motor Vehicles (-\$6M), Petroleum & Gas taxes (-\$8M), and others. Significant YTD collections variances are -\$129M in Act 154 collections, -\$56M in Nonresident Withholdings, -\$82M in Individual Income taxes, partially offset by +\$245M in Corporate Income Taxes, +\$170M in Petroleum & Gas taxes.
- YTD variance mainly due to -\$35M lower in Department of Health collections and -\$30M lower in Treasury collections, with the remaining variance spread across 40+ other agencies. The majority of YTD variance (-\$62M of total) is due to collections shortfall in September and October following Hurricane Maria.
- YTD variance is mostly permanent, due to -\$316M in COFINA SUT collections flowing to the COFINA bank account that were not considered in the Liquidity Plan, lost revenues from Hurricane Maria's impact on economic activity, temporary sales tax exemptions on prepared foods and items sold by small and medium merchants (exemptions expired on 1/7 and 12/31, respectively), and various other competing drivers such as a shift in buying mix from smaller, less SUT compliant stores to larger, more SUT compliant retailers.
- YTD variance is assumed to be permanent as stronger Rum Tax collections are a result of (1) higher than projected volume of exports; and (2) Increase of Rum Tax per unit to \$13.25 per proof gallon from \$10.50 per proof gallon, effective as of January 2018.
- YTD variance is a function of lower Electronic Lottery Collections due to the impact of Hurricanes Irma and Maria, and this variance is assumed to be permanent.
- Variance partially offsets previous YTD variance, as Paygo payments are transferred to the TSA at the end each month as opposed to the bi-weekly transfers projected in the Liquidity Plan. The majority of YTD variance is due to not yet receiving PayGo payments from PRASA and other public corporations & municipalities.
- YTD variances in federal fund receipts are the result of: (1) Lower-than-projected federal reimbursements for vendor payments (-\$595M variance); (2) disaster-related federal reimbursements for vendor payments not considered in the Liquidity Plan (+\$107M variance); (3) greater disbursements for the Nutritional Assistance Program (+\$282M variance); (4) ASEs pass-through Medicaid appropriations (+\$432M variance); (5) lower federally-funded portion of payroll disbursements versus the Liquidity Plan (-\$56M variance); and an additional +\$184M of timing variance. Note the Bipartisan Budget Act of 2018 provided for additional Medicaid funding that was not considered in the Liquidity Plan. As such, federal funds received after 3/31 for the Medicaid Program, and for the remainder of the year, are incremental to the amount projected in the Liquidity Plan and will result in permanent positive variances. Furthermore, the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017 provided for additional Nutritional Assistance funding than was considered in the Liquidity Plan. The Commonwealth began to use these funds as of March 1, and additional resources will remain available to Puerto Rico until September 30th, 2019.
- YTD variance mainly due to +\$54M higher in Petroleum import tax collections and +\$15M in a one-time transfer from the Puerto Rico Tourism Company, with remaining variance due to higher non-recurring inflows across various programs and agencies, all of which are assumed to be permanent variances against the Liquidity Plan.
- YTD variance is offset by GDB Transactions (relates to legacy debt service deposit agreement) variance in line 36.
- Variance due to the timing of various payments to financial service providers on behalf of public employees and for insurance providers.
- Weekly variance due to timing and will be offset later this month. -\$55M of the YTD variance is offset by +\$55M of the YTD variance in line 23, as distributions to the Police Department for payment of employer contributions to their retirement system is included in the line 23 YTD forecast.
- Variances in this line item are permanent as this line item was not utilized this fiscal year. +\$55M of the YTD variance offsets -\$55M of the YTD variance in line 20, as distributions to the Police Department for payment of employer contributions to their retirement system was included in the line 23 forecast but are disbursed through line 20. Remaining YTD variance is offset by a reduction in Contributions From Pension Systems in line 8.
- Variance is due to the timing of federal funds received for the Medicaid Program and the subsequent pass-through appropriation to ASEs, and will be offset next fiscal year.
- YTD Variance largely due to additional transfers in funds to support capital expenditures and congestion management initiatives for HTA, consistent with the Revised Fiscal Plan.
- Vendor disbursements exceeded Liquidity Plan by \$95M for the week ended 6/29 mainly due to \$56M in Central Government disbursements to PRASA for accounts payable in arrears. Remaining variance was mostly due to \$57M disbursed on behalf of the Department of Education, the second highest in a single week throughout FY2018. The largest portion (\$467M) of YTD variance is related to federally-reimbursable disbursements, approximately 65% of which the Liquidity Plan projected would relate to budget period 2017. This variance is offset by various disbursements that were not forecast in the Liquidity Plan, including \$78M to Municipalities for emergency recovery and \$107M in other disaster-related disbursements.
- Weekly and YTD variances are most likely permanent and are offset by increases in federal funds received for the Nutritional Assistance Program due to additional funding provided for by The Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017.
- YTD variance offsets GDB Transactions (relates to legacy debt service deposit agreement) variance in inflows (line 14), with remaining variance due to timing.
- \$300M of the YTD Variance is offset by the Net Loan outstanding to PREPA. The \$300M original loan repurposed portions of the Reconciliation Adjustment (RA) that is budgeted at the agency level. The remaining YTD variance is offset by various other reappropriations from the RA including \$80M in funds for DTOP, \$78M for Municipal Recovery, and others (see Schedule H of this report for additional detail).
- YTD variance due to excess revenues collected by PREPA that were applied to the repayment of outstanding Revolving Credit Loans, in accordance with Section 2.6(b)(ii) of the Superpriority Post-petition Revolving Credit Loan Agreement<sup>(i)</sup>. Due to the timing of PREPA receipts and disbursements, various repayments occurred since the Loan was originally drawn upon, though PREPA drew down the remaining allowable amount on 6/29 to end the year with the original \$300M loan amount outstanding.



Puerto Rico Department of Treasury | AAFAF

As of June 29, 2018

Schedule A: Collections Detail - Actual Results vs. Forecast (a)

		Actual	Forecast	Variance	Actual	Forecast	Variance
		6/29	6/29	6/29	YTD	YTD	YTD
(figures in \$000s)							
<b>General Fund</b>							
1	Individuals	\$29,902	\$27,697	\$2,205	\$2,242,922	\$2,325,000	(\$82,078)
2	Corporations	\$9,804	5,625	4,179	1,793,817	1,549,000	244,817
3	Non Residents Withholdings	\$24,489	(1,791)	26,280	634,059	690,356	(56,297)
4	Act 154 (b)	—	(6,101)	6,101	1,306,908	1,435,661	(128,752)
5	Alcoholic Beverages	\$10,224	16,005	(5,781)	263,766	286,028	(22,262)
6	Cigarettes	\$5,837	11,850	(6,013)	224,453	229,009	(4,556)
7	Motor Vehicles	\$9,238	6,690	2,548	414,268	318,000	96,268
8	Other General Fund	\$1,974	20,575	(18,602)	176,857	463,000	(286,143)
9	<b>Total General Fund Portion of General Collections</b>	<b>\$91,468</b>	<b>\$80,550</b>	<b>\$10,918</b>	<b>\$7,057,049</b>	<b>\$7,296,053</b>	<b>(\$239,004)</b>
<b>Retained Revenues (c)</b>							
10	AACA Pass Through	\$2,175	2,547	(372)	78,532	79,952	(1,420)
11	AFI/RBC Pass Through	—	(46)	46	7,496	26,135	(18,639)
12	ASC Pass Through	\$1,848	(416)	2,264	79,763	97,874	(18,111)
13	HTA Pass Through	\$4,263	12,286	(8,023)	640,940	470,874	170,066
14	Total Other Retained Revenues	\$1,430	1,708	(278)	74,488	134,634	(60,146)
15	<b>Total Retained Revenues Portion of General Collections</b>	<b>\$9,716</b>	<b>\$16,079</b>	<b>(\$6,363)</b>	<b>\$881,218</b>	<b>\$809,469</b>	<b>\$71,749</b>
16	<b>Total Collections from DTPR Collections System</b>	<b>\$101,184</b>	<b>\$96,629</b>	<b>\$4,555</b>	<b>\$7,938,267</b>	<b>\$8,105,522</b>	<b>(\$167,255)</b>
17	<b>Timing-related unreconciled TSA Collections (d)</b>	<b>(\$24,247)</b>	<b>—</b>	<b>(\$24,247)</b>	<b>\$135,209</b>	<b>—</b>	<b>\$135,209</b>
18	<b>Total General Collections</b>	<b>\$76,937</b>	<b>\$96,629</b>	<b>(\$19,692)</b>	<b>\$8,073,476</b>	<b>\$8,105,522</b>	<b>(\$32,046)</b>

Source: DTPR, collection system

Footnotes:

(a) Figures in forecast period correspond to original TSA liquidity plan projections, which was developed in July 2017 based on the Approved Budget, General Fund Revenue projections, and other input from the DTPR and AAFAF teams.

(b) Collections presented only include Act 154 Collections received into the Collections Post Account (CPA). Additional Act 154 Collections are received into a separate account and cash flow line item, shown on page 8 in line 4: Excise Tax through Banco Popular. Total Act 154 Collections are therefore the sum of these two amounts: \$1.3bn received into the CPA and \$609M through Banco Popular, for a total of \$1.9bn in Act 154 Collections throughout FY2018.

(c) Retained Revenues are revenues conditionally assigned to certain public corporations and the collections of those revenues are through accounts referred to as "pass through" accounts, the majority of which include (i) ACAA auto insurance, (ii) AFI/RBC petroleum tax, (iii) ASC personal injury insurance, and (iv) HTA toll revenues.

(d) Due to timing. Receipts in collections post account occur approximately two business days prior to being deposited into the TSA.